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Chairman: Mr. PIRIZ BALLON (Uruguay)

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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 78: DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued) (A/47/80, A/47/82-S/23512, A/47/83, A/47/88-S/23563, A/47/225-S/23998, A/47/267, A/47/268, A/47/290-S/24204, A/47/305-E/1992/96, A/47/308-E/1992/97, A/47/344, A/47/351-S/24357, A/47/356-S/24367, A/47/361-S/24370, A/47/375, A/47/391, A/47/437)

Report of the Secretary-General on the implementation of General Assembly resolutions 42/186 and 42/187 (A/47/121-E/1992/15)

Report of the Governing Council of the United Nations Environment Programme on the work of its third special session (A/47/25, Supplement No. 25)

1. Mr. TOLBA (Executive Director of the United Nations Environment Programme (UNEP)), introducing the report of the Governing Council of UNEP, said that the Council had during its deliberations tackled three areas of direct relevance to the results of the United Nations Conference on Environment and Development (UNCED): (i) the problem of desertification; (ii) a review of initiatives to build sustainable development through implementation of the recommendations of the report of the World Commission on Environment and Development and the Environmental Perspective to the Year 2000 and Beyond; and (iii) the report of the Executive Director on the state of the environment (1972-1992).

2. The UNEP report on the status of desertification provided an objective analysis of implementation of the United Nations Plan of Action to Combat Desertification, adopted by the General Assembly in 1977, but showed that progress achieved so far had been dismal. If the current trend was not reversed, the threat of a dangerous collision between skyrocketing populations and shrinking productive lands would draw ever closer. The problem of desertification had been ignored for over a decade, perhaps because it was wrongly viewed as being of a regional nature, affecting mainly developing countries. In fact, desertification was a global problem which, apart from having adverse social effects, also, among other things, caused climate change and loss of biodiversity. The UNEP report, together with chapter XII of Agenda 21, constituted a realistic plan of action. A consensus had been reached at UNCED on the need to formulate a convention on combating desertification, which would serve as a legally binding framework for implementation of that plan, but it should be remembered that, in order to ensure results, sufficient financial resources must be made available.

3. Although the discussion of the second item addressed by the Governing Council prepared the ground for efforts undertaken at the Rio Conference to ensure that environmental considerations were built into all everyday decisions adopted under the rubric of "economic activity", that issue remained the most difficult policy challenge of the current generation. The time had come for specific measures to be taken, and the General Assembly had for that purpose an unprecedented mandate, endorsed not merely by Heads of State and

(Mr. Tolba)

Government but also by millions of people who looked to the Earth Summit for ecological salvation. UNEP, for its part, would spearhead work related to environmental accounting and economics and strengthen scientific monitoring and assessment because it believed that, as environmental issues became more complex, decision-makers needed more accurate scientific data and early warnings of possible environmental damage.

4. The report on the state of the environment (1972-1992) was directly related to the pivotal role played by science in sustainable development. The conclusions of that report were deeply disturbing because, despite all the measures adopted since the United Nations Conference on the Human Environment, held at Stockholm in 1972, not one of the issues raised at that time had been solved. Moreover, further extremely serious global problems, such as that of ozone layer depletion, had emerged. Most scientists agreed that a process of climate change and global warming had begun which could lead, inter alia, to the inundation of low-lying coastal areas, altered rainfall patterns, more frequent and severe tropical storms, drought and the accelerated extinction of biological diversity. However, all such problems could be avoided if the world was prepared to unite its efforts and to share responsibilities.

5. Environmentally sound and sustainable development still hinged on three critical issues. Firstly, adequate additional resources were required. Various cost estimates had been carried out in connection with Agenda 21 and, although they needed further refinement, it was clear that costs far exceeded existing allocations and that even the richest countries were not in a position to pay additional costs. It might therefore be useful if the General Assembly were to consider establishing an intergovernmental committee of experts to study specific recommendations in three areas: (a) a shift in unsustainable subsidies which, if redirected to sustainable development programmes, could make an enormous difference; (b) meeting the development assistance target of 0.7 per cent of gross national product by the end of the decade; (c) the examination of new revenue-generating systems, such as carbon tax. The second critical factor for sustainable development was technology transfer. Industries which spent large sums on research and development activities should be fairly compensated for entering into technology transfer agreements that comprised not only hardware but also technologies relating to management, infrastructure, marketing analysis, etc. Thirdly, economists should tell the truth about the social costs of resource consumption, pollution damage and other ecological problems to ensure they were duly borne in mind in the adoption of economic decisions. That in itself was a top priority area of UNEP activities.

6. In light of the social and environmental changes of the last two decades, what was needed in order to improve the planet and to accelerate development was a prioritization of Agenda 21 and clarification of a precise mandate for the Commission on Sustainable Development, backed by the necessary financial resources.

7. Ms. FREUDENSCHUSS-REICHL (Austria) said, with respect to the measures taken by her country to implement General Assembly resolutions 42/186 and 42/187, that it had started to design a national environment plan, in the form of a joint initiative by public and private bodies and various non-governmental organizations, which would address in particular such elements of Agenda 21 as had not yet been covered by the country's environmental policies. Also, the national UNCED commission, comprising all relevant organizations active in the field of environment and development as well as private-sector institutions, had undertaken responsibility for national preparations for the Conference and for follow-up on its results and related activities and continued to operate. Her country was endeavouring to bring its national laws into line with that of the European communities without reducing its high national standards. Currently, new legislation was being drawn up in the field of chemicals and environmental liability. Her Government intended to adopt new planning and management instruments, including economic measures in the fields of transportation and waste management, and a law on environmental impact assessment would soon enter into force. It also believed that a tax should be imposed on the use of all sources of energy and was taking part in international discussions on that issue.

8. At the international level, Austria was promoting environmental protection activities in the Central and Eastern European countries. Also, recognizing the need for greater transfer of resources to the developing countries, it had pledged 400 million Austrian schillings to the Global Environment Facility and had earmarked an additional 200 million Austrian schillings for bilateral projects geared to sustainable forest management. It had been agreed at the Rio Conference that the role of UNEP should be strengthened in such areas as the further development of international law. It would also be very important to ensure the greatest possible cooperation between UNEP and the Commission on Sustainable Development and other bodies working in the field.

9. Ms. DOWSETT (New Zealand) said that UNCED had been a watershed in the history of international action for the protection of the environment and would set the scene for future action in the field. As a follow-up to the Conference, new mechanisms had to be established to deal with environmental problems like desertification and drought and marine and coastal issues. As the Executive Director of UNEP had said, political commitment by the international community was essential to achieve that objective. New Zealand welcomed the fact that Agenda 21 envisaged an enhanced role for UNEP. It would be necessary for UNEP and the other bodies involved in environmental matters to coordinate their work closely through the new Commission on Sustainable Development and the Economic and Social Council. It was encouraging that UNEP had moved promptly to make the institutional changes required as a result of the Rio Conference and that it was nearing completion of the review of its structure and management.

(Ms. Dowsett, New Zealand)

10. Among the key issues addressed by UNCED, the depletion of the ozone layer was of particular concern to New Zealand. UNEP's work in overseeing the implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer was valuable in that connection. Another serious environmental problem was desertification, one of the priority areas recommended to UNEP, in which New Zealand hoped the agency would play a central role. Regarding the ocean environment, UNEP had organized the Regional Seas Programme, which New Zealand supported. The South Pacific Regional Environment Programme, adopted in 1980 as part of the Regional Seas Programme, had established close and effective working relations with New Zealand. The Executive Director of UNEP was to be thanked for his effective service in the cause of the environment.

11. Mr. CAMERON (Australia) said that his country attached great importance to UNEP, as reflected in the tripling of its financial contribution to that organization since 1988-1989. UNEP had initiated important negotiations on the ozone layer, biodiversity and national and regional sustainable development programmes, including the regional seas programmes. It was also responsible for useful data collection and for environmental monitoring systems. It had contributed decisively to the preparations for the Rio Conference, for which it had prepared a report on the state of the environment, a report on the implementation of General Assembly resolutions 42/186 and 42/187, and an evaluation of the Plan of Action to Combat Desertification. Australia fully supported the recommendations on the role of UNEP in chapter 38 of Agenda 21, which emphasized the need to avoid duplication by having a clear division of responsibilities, and listed priority areas for UNEP attention that reflected its mandate and expertise.

12. Mr. GATHUNGU (Kenya) said that UNEP had played a very important part in the preparations for the Rio Conference and must continue to have a role in implementing UNCED decisions and in monitoring the fulfilment of the commitments made at the Conference.

13. The third special session of the UNEP Governing Council had singled out three particular areas as important to the work of UNCED and to the subsequent implementation of Agenda 21. One such area was the implementation and financing of the Plan of Action to Combat Desertification. The inputs from the third special session had been considered by the Preparatory Committee for UNCED at its fourth session, and ultimately the Conference had adopted Agenda 21, chapter 12 of which proposed specific programmes for dealing with desertification. Despite the severity of the problem, clearly brought out in the relevant report prepared by UNEP for the Rio Conference and in the Secretary-General's report on combating desertification and drought (A/47/393), the progress made in implementing the Plan of Action had been modest, largely for lack of resources. The Committee must find ways of obtaining the funds needed for the Agenda 21 programmes related to desertification. The Committee must also see to it that the responsibilities assigned to the United Nations organs and programmes involved in that

(Mr. Gathungu, Kenya)

difficult task were clearly delimited, taking into account their respective mandates, capacities, roles, initiatives and activities. UNEP's experience should be fully utilized in all work on the convention on desertification, to be completed by 1994, and UNEP must be entrusted with the secretariat arrangements and technical inputs for the preparation of the convention.

14. The second area addressed by the UNEP Governing Council had been the state of the environment. The UNEP report on that issue identified the main environmental problems, such as ozone layer depletion, climate change, population growth, toxic chemicals and hazardous wastes, and air and water pollution, which still posed a grave threat despite the efforts made since the 1972 Stockholm Conference.

15. The third area considered at the third special session had been the report of the Secretary-General on the follow-up to General Assembly resolutions 42/186 and 42/187. The inputs from the third special session had been transmitted to the fourth session of the Preparatory Committee for UNCED. It would be the responsibility of the Second Committee during the current session to take effective measures for the implementation of the decisions adopted by UNCED.

16. Mr. WIBISONO (Indonesia) said that, while the Rio Conference had highlighted the seriousness of environmental problems and, as the Secretary-General had noted in the conclusions to his report (A/47/121, para. 101), Governments and the United Nations system had made considerable progress in designing policies, programmes and plans for environmentally sound and sustainable development, the remaining tasks were enormous and required increased political will and concerted action at both the national and the international level. UNEP was an essential element of that process.

17. Economic development and environmental protection had long been perceived as mutually incompatible. However, the environmental objectives set forth in Indonesia's five-year development plan (Repelita V) reflected his country's concern for the conservation of the environment. The Government had established seven environmental priorities in the five-year plan: the inventorying and evaluation of natural resources and the environment; protection of forests, land and water; improvement of institutional capacities for natural resources and environmental management; improvement of meteorological and geophysical information-gathering capabilities; the development of coastal areas; pollution control; and rehabilitation of critical land and forest. The Indonesian Government's policy on environment and development was derived from the need to integrate both elements and had been enunciated a decade earlier when the Law on the Management of the Environment had been enacted. An important aspect of that law was contained in government regulation of environmental impact analysis, mandatory since 1982. Other important legislation currently under preparation included the Law on Population Dynamics and Family Welfare and the Law on Resource Use and

(Mr. Wibisono, Indonesia)

Spatial Planning. As to institutions, in addition to the State Ministry for Population and Environment, the Indonesian Government had established new bodies such as the Agency for Environmental Impact Management, which had responsibility for monitoring pollution and hazardous and toxic substances.

18. Mr. BAILLARGEON (Canada) said that his country, one of the original signatories of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), planned to sponsor a resolution to permit the secretariat of the Convention to share the revenue received from the sale of the United Nations CITES stamp issue. His delegation believed that it was important, as follow-up to the Rio Conference that the proceeds from the sale of those stamps should be devoted to the conservation and protection of nature and of endangered species, and invited all interested countries to support the resolution, which would be circulated shortly.

19. The role of the United Nations Environment Programme was all the more important at such a critical juncture on the path to sustainable development. The time had come to fulfil the commitments made at Rio by working together in pursuit of common environmental objectives. Since its creation, UNEP had worked to promote awareness of the urgency of environmental problems such as depletion of the ozone layer, transboundary movements of hazardous waste, climate change and loss of biological diversity. As the principal catalyst and coordinator for environmental action within the United Nations, UNEP must continue to play a vital role in the pursuit of global sustainable development.

20. Mr. TOLBA (Executive Director of the United Nations Environment Programme) welcomed Canada's sponsorship of a draft resolution proposing that a portion of the proceeds from the sale of CITES commemorative stamps should be given to the Convention secretariat to allow it to continue and intensify its work. With respect to the problem of desertification, he recalled that in 1977, following the United Nations Conference on Desertification, it had been decided that follow-up to the Plan of Action to Combat Desertification should be entrusted to the Administrative Committee on Coordination (ACC) and to UNEP through its Governing Council and its Executive Director. Finally, he thanked those delegations which had echoed the call issued at UNCED for the strengthening of UNEP operations so that it could pursue with renewed vigour its efforts to achieve the objectives which had found their fullest expression in Agenda 21.

AGENDA ITEM 85: INDUSTRIAL DEVELOPMENT COOPERATION AND THE DIVERSIFICATION AND MODERNIZATION OF PRODUCTIVE ACTIVITIES IN DEVELOPING COUNTRIES (A/47/535)

21. Mr. HALLOWAY (Director, New York Office, United Nations Industrial Development Organization) said that document A/47/535 represented a consolidated report and summary of United Nations system activities in general, and of the United Nations Industrial Development Organization (UNIDO) in particular, in implementation of the requests contained in General Assembly resolutions 45/196 and 46/146. The report addressed three main points:

(Mr. Halloway, UNIDO)

training of scientists, engineers and entrepreneurs, activities geared to technical assistance, and the proposal for a study on the structure of world industrialization.

22. With regard to the first point, financial constraints had forced the deferment of a plan of action for accelerated human resources development, targeted to the three groups to which he had referred, which UNIDO had planned to promote jointly with the United Nations Secretariat and in close collaboration with regional economic commissions, the United Nations Development Programme (UNDP) and the World Bank.

23. Section III of document A/47/535 provided a succinct account of the second point, touching upon the human factor in industrial development, adaptation and diffusion of technology, the need to promote broader participation of developing countries in international technological development, as well as diversification and industrial recovery and UNIDO efforts in the areas of investment promotion and cooperation between industrial enterprises.

24. The proposed study which constituted the third point would involve an analysis of the reasons why some developing countries had succeeded while others had failed, as well as opportunities and barriers that a future of dynamic technological and economic change might bring. The Industrial Development Board had examined the proposal at its ninth session but had not taken a decision, because, like other agencies in the system, UNIDO was facing serious financial problems and was forced to set priorities and to choose between activities having a direct impact on modernization and diversification of production or analytical activities to indicate the vectors of change in industrial development. The States members of UNIDO were engaged in consultations in order to establish priorities for the Organization. As those consultations were at a preliminary stage, it was difficult to give any indication of their trend, although it was likely that emphasis would be placed on technical cooperation and country-specific needs.

25. Mr. ZAMAN (Pakistan), speaking on behalf of the Group of 77, said that developing countries must accelerate their industrialization process in order to achieve sustainable economic growth compatible with social development. Unfortunately, their share of world industrial production remained low, because, apart from some notable exceptions, they underutilized existing industrial capacity and could not maintain their equipment or import modern technology to replace their existing technology, which was almost always obsolete. Increased manufacturing capacity, a trained workforce, indigenous administration, and modernized transport, electrical power supply, banking and financial infrastructure were essential. To that end, it was necessary to promote indigenous capacity-building, obtain financial and technical assistance from industrialized countries and attract foreign investment.

26. Naturally, any viable process of industrialization required an adequate level of demand, which could be reinforced through trade liberalization and

(Mr. Zaman, Pakistan)

improved access of exports to the markets of developed countries. Progress in industrialization in developing countries was also dependent upon a favourable international economic environment that did not involve discriminatory treatment by means of tariff and non-tariff barriers. The responsibility of the developed countries in that connection was enormous, for a mere increase in interest rates or a sudden fall in commodity prices could wipe out at one blow efforts made in the right direction and offset the benefits derived from financial assistance.

27. He pointed out the need for UNIDO to carry out as soon as possible the study on the training of scientists, engineers and entrepreneurs which had had to be postponed because of severe financial constraints, and said that all developing countries recognized the leading role of UNIDO in providing policy guidance and were convinced that the international community must redouble its efforts to foster industrial development cooperation and the diversification and modernization of productive activities in developing countries.

28. Mrs. HELKE (United Kingdom), speaking on behalf of the European Community and its member States, said that industrial development was one of the key components of development at the national, regional and global levels and had a crucial role to play in promoting sustainable development. It was therefore necessary for Governments to design and implement appropriate and effective industrial development policies. Such policies should strike a balance between the public and private sectors, small and larger enterprises, the industrial and agricultural sectors and production for domestic consumption and for export.

29. Although for many years industrial development had been considered synonymous with large-scale heavy industry and had been closely associated with the trend towards urbanization in developing countries, it had come to be accepted that it could include small and medium-sized enterprises and could take a multitude of forms. The chapter on industrial cooperation of the fourth Lomé Convention stressed, in fact, the importance of the establishment and development of small and medium-sized enterprises and the need to diversify the economy.

30. It was an established fact that industrial development also required trained human resources protected by proper health services and appropriate labour legislation. Also indispensable was a macroeconomic policy that fostered local entrepreneurial initiative, freeing it from interventionism and bureaucracy, and stimulated foreign investment by providing legal stability and security. The industrialized countries had a responsibility to encourage industrial development beyond their frontiers. At the macroeconomic level, they should help to create a supportive international environment that would improve market access through a strengthened and open multilateral trading system. At the micro-economic level, they should continue to offer technical cooperation to developing countries, as was done by the European Community under the Lomé Convention and the Phare programme. The main channels for the

(Mrs. Helke, United Kingdom)

transfer of technology, which was indispensable for industrial development, should be education, training and transnational investment, but they also included direct cooperation between companies of industrialized and developing countries.

31. It had been made clear during UNCED and in Agenda 21 that development must be achieved in an environmentally sound way. Governments must establish a stable and transparent legal framework that would protect the environment and enable enterprises to be perfectly clear about where to focus their attention. Industry had to make an important contribution to sustainable development. In that respect, the European Community welcomed the conclusions and recommendations of the UNIDO Conference on Ecologically Sustainable Industrial Development held in Copenhagan from 14 to 18 October 1991. It was essential to incorporate the costs of environmental protection into the production of goods and promote research on cleaner technologies, the transfer of which should be encouraged. The European Community and its member States would continue to support international cooperation in that field through the United Nations and other appropriate forums. The United Nations system, including UNIDO, should pay special attention to the needs of the least developed countries, but Member States and other organizations, too, would have a significant part to play in promoting industrial development.

32. Mr. AHMIA (Algeria) said that industrialization was essential for promoting and accelerating growth and economic and social development, especially in developing countries, where the process depended in large measure on equipment, technology and know-how from developed countries. International organizations must therefore redouble their efforts to support measures for encouraging industrialization in developing countries, through technology transfer and the mobilization of financial resources.

33. The "lost decade" of the 1980s had been disastrous for the African continent. Despite the sacrifices of the African countries within the framework of the first Industrial Development Decade for Africa, 1981-1990, international assistance had fallen short of expectations. After the proclamation, by the General Assembly, of the period 1991-2000 as the Second Industrial Development Decade for Africa, UNIDO had adopted the programme of that decade on a priority basis within the framework of its activities. Algeria valued highly the adoption of the programme by the Assembly of Heads of State and Government of the Organization of African Unity in July 1992 and by the Economic and Social Council during the high-level segment of its most recent session and considered that the new readjusted period, 1993-2002, would permit the mobilization of the international community and the United Nations system for the full execution of the programme under better conditions. To achieve the ambitious objectives of the new programme, which would probably be approved during the current session of the General Assembly, the Economic Commission for Africa had to have the necessary financial resources in order to assist the countries of Africa in accordance with the provisions of Economic and Social Council resolution 1992/44. It was also necessary to

(Mr. Ahmia, Algeria)

learn from the failure of the first programme in order to put into practice mechanisms for the periodic evaluation of the execution of the new programme, apply any necessary corrective measures and take into account the legitimate interests of Africa in the field of development and modernization of industrial activities.

34. Algeria was confident that the African countries would follow an integrated approach in the execution of the programme at the national, subregional and regional levels, taking into account the New Agenda for the Development of Africa in the 1990s and Agenda 21, approved at the Rio Conference. In that respect, it was important to point out the need to integrate environmental issues into the projects of the Second Decade; in the area of biotechnology, for example, Algeria felt that the new programme and UNIDO could help to bring about the realization of the proposed initiative to create an African biotechnology agency. At the regional level, the States members of the Arab Maghreb Union had approved an industrial cooperation plan that included strengthening technical skills and training, the creation of a network of industrial data banks and UNIDO technical assistance in various sectors.

35. In addition to implementing an industrialization plan that had made it possible to establish an industrial base, the Algerian Government had adopted a programme of work that included modernizing and integrating the existing industrial base and strengthening it through increased autonomy for enterprises and the formation of industrial and financial groups, establishing companies open to national and foreign capital, reinforcing the private sector and increasing exports and services.

36. The development and modernization of industrial activities in the developing countries demanded an international economic environment that encouraged foreign investment and the transfer of technology on favourable terms. Accordingly, the success of any development effort depended on strengthening the institutional infrastructure and industrial planning, on training and technical assistance and on financial aid from outside.

37. Mr. ISAKOV (Russian Federation) said that the rapid changes in world industry had transformed the problems inherent in the industrial development of the developing countries and accordingly new policies must be adopted for industry and international cooperation. The Russion Federation wished to participate in the multilateral effort to that end, bearing in mind the priorities of the developing countries, the possibilities of the donor countries and the need to find a balanced solution to social and environmental problems. It therefore intended to widen its cooperation with the United Nations Industrial Development Organization (UNIDO), the United Nations Development Programme (UNDP) and the United Nations Revolving Fund for Natural Resources Exploration.

(Mr. Isakov, Russian Federation)

38. Foreign investment in the developing countries had been concentrated in the traditional sectors, although it had increased in the metallurgical, construction and fertilizer branches. That was normal at the current stage of development, but in future more attention should be paid to high technology, through strengthening UNIDO's research capacities and a new policy directed towards the application of more modern techniques. Technology transfer, cooperation in investment and industrial management training were also important. It was also necessary to convert the defence industry and use it as a reserve to strengthen international cooperation. UNIDO might study the advantages and possible benefits of such conversion and present its views to the General Assembly on the prospects for such conversion, its financing, its possible results and the means of securing the participation in it of the international financial institutions.

39. The cooperation between UNIDO and the Russian Federation had yielded gratifying results. For example, UNIDO specialists had laid the foundation for establishing a duty-free zone in Vladivostok, and a seminar had been held in Moscow on the conversion of the defence industry and privatization. The province of Kaliningrad and UNIDO had begun activities on modernizing industry in the region, a project for the rehabilitation of the pharmaceutical industry had been started in St. Petersburg, a conference would be held in November entitled "The Republics of the former Soviet Union: New prospects for trade and investment", and, in January 1993, a seminar would be held on the privatization process in the Russian Federation. The Russian Federation thanked the UNIDO secretariat for its work in the negotiations with the World Bank and European Bank for Reconstruction and Development for financing for projects in the country, and for its offer to participate in UNDP projects in the Federation. The activities of UNIDO's Centre for International Industrial Cooperation in Moscow had been very useful, chiefly in regard to the establishment of relations with enterprises and producers' associations through modern forms of economic cooperation, and the training of management personnel. The Centre also promoted the transfer of Russian technology to the developing countries, the dispatch of Russian experts to those countries and the holding of seminars in the Russian Federation on problems of industrial development for representatives of developing countries. With a view to improving relations between the Federation and UNIDO, an inter-agency committee had been set up whose main task was to secure increasing participation by Russian informal sector entrepreneurs in cooperative activities with UNIDO.

40. The Supreme Council of the Russian Federation was examining a programme to speed up industrial reform, including privatization, structural transformation, and the demilitarization and modernization of industry. Attention had centred on the stabilization of the fuel and energy industry. In the short term, an effort would be made to attain previous levels of oil extraction through the rehabilitation of inactive wells, of which there were 25,000. In the medium term, foreign investment would be encouraged to exploit oilfields which had not been developed to the full for lack of resources and

(Mr. Isakov, Russian Federation)

bidding would be invited for contracts, thus guaranteeing the investment. There would also be investment in pipelines and refineries. In the long term, contracts would be signed with foreign enterprises for the provision of risk capital for prospecting for new oil and gas deposits. Medium- and long-term investment programmes had also been prepared to attract foreign capital for the conversion of the Russian defence industry.

41. Mr. KRAVETZ (El Salvador) said that stabilization and structural adjustment programmes in El Salvador included various measures, among them the most important being the freeing of exchange and interest rates, tax reform, the elimination of State trade monopolies, and fiscal and customs incentives for export companies and for the construction of duty-free zones, which had resulted in an 11.6 per cent increase in non-traditional exports in 1991. The increase had been achieved with the assistance of many private sector organizations, in particular the Salvadorian Foundation for Economic and Social Development (Fundación Salvadoreña para el Desanollo Económico y Social), which, in 1991, had created more than 6,000 jobs, promoted non-traditional exports for a total value of $47 million and secured investment amounting to $11.6 million, and the Entrepreneurs' Foundation for Educational Development (Fundación Empresarial para el Desanollo Educatio), which in the past five years had trained more than 50,000 workers, technicians, instructors, executives and managers.

42. The work of those private organizations, namely promoting investment and exports and developing human resources, was in harmony with UNIDO's programmes in those fields. In that connection, it should be noted that special attention should be paid in industrial cooperation activities to the human factor and to industrial recovery, as was brought out in document A/47/535.

43. In resolution 46/146, the General Assembly had requested for consideration at its forty-seventh session, three reports on industrial development cooperation and the diversification and modernization of productive activities in developing countries. Given that none of them had been presented, it might be thought that industrial development cooperation was not one of the international community's priority themes. In reality, the reason was that the financial resources needed for preparing the reports in question were not available. UNIDO could serve as a bridge between private organizations in the developing countries and organizations in the developed countries which possessed vast experience in promoting investment and exports and in developing human resources. UNIDO could also help in finding sources of finance for projects of private development organizations.

The meeting rose at 5.25 p.m.